

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

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In the Matter of: Chapter 11

Magnetic Resonance Imaging Case No. 1:15-40644 (NHL)
Associates of Queens, P.C.

debtor.

-----X

DEBTOR'S AFFIDAVIT IN SUPPORT
OF DEBTOR'S USE OF CASH COLLATERAL

STATE OF NEW YORK :
:
COUNTY OF KINGS : S.S.

I, John Nathenas, MD, being duly sworn, deposes and says:

1. I am the president of debtor Magnetic Resonance Imaging Associates of Queens, P.C., ("Debtor" or "Debtor-in-Possession") and I am fully familiar with Debtor's books and records.

2. On or about August 7, 2009, Debtor entered into a \$500,000.00 line of credit ("Loan") with Citibank, N.A. ("Citibank"). (See Credit Approval letter attached at Exhibit A)

3. Pursuant to the provisions of the Loan, on or about August 18, 2009, Citibank filed a UCC Financing Statement, maintaining a security interest, *inter alia*, in all accounts, money and all intangibles of Debtor. (See financing statement and continuation attached as Exhibit B)

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4. On or about December 18, 2014, Citibank sold all its title right and interest in the Loan and security interest to an unrelated third party, Radiance Capital Receivables Thirteen, L.L.C. ("Radiance Capital").

5. On or about January 13, 2015, Debtor and Radiance Capital entered into an agreement amending certain provisions of the Loan ("Amendment"). See Amendment attached as Exhibit C.)

6. The amount of cash collateral Debtor requires to maintain its current operations is approximately

\$ 40,000 per month.

7. There are no other existing liens.

8. There is no Loan or Amendment provision that elevates pre-petition debt to administrative expense status or that secures pre-petition debt with liens on post-petition assets.

9. There is no Loan or Amendment provision that applies the proceeds of post-petition financing to pay, in whole or in part, pre-petition debt or which otherwise has the effect of converting pre-petition debt to post-petition debt.

10. There are no terms of the Loan or Amendment that provide that the use of cash collateral or the availability of credit will cease on (i) the filing of a challenge to the lender's pre-petition lien or the lender's pre-petition claim based on the lender's pre-petition conduct; (ii) entry of an

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order granting relief from the automatic stay; (iii) the grant of a change of venue with respect to the case or any adversary proceeding; (iv) management changes or the departure, from the Debtor, of any identified employees; (v) the expiration of a specified time for filing a plan; or (vi) the making of a Financing Motion by a party in interest seeking any relief (as distinct from an order granting such relief).

11. The Loan or Amendment documents do not contain a change-of-control provision.

12. The Loan or Amendment contain no provision establishing a deadline for, or otherwise expressly requiring, the sale of property of the estate;

13. There is no Loan or Amendment provision for the funding of non-debtor affiliates with the cash collateral.

14. There is no Loan or Amendment termination or default provisions, cross-default provisions or provisions providing for events of default or having the effect of termination or default on the automatic stay or the lender's ability to enforce remedies.

15. There is no Loan or Amendment provision which purports to preclude the Court from entering an order authorizing financing which primes liens held by the lender, or any provision which purports to preclude the Court from confirming a

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plan of reorganization which impairs the lender without the lender's consent.

16. Debtor must utilize cash on hand and cash flow from operations to pay business expenses incurred in the normal course of business. An inability to use these funds during this Chapter 11 case could cripple Debtor's business operations.

17. Among other things, the Debtor must use its cash to continue the operation of its businesses in an orderly manner, maintain business relationships pay employees and satisfy other operation needs -- all of which are necessary to preserve and maintain the Debtor's going-concern value and, ultimately, effectuate a successful reorganization.

18. Section 363(c)(2)(B) of the Bankruptcy Code permits Debtor-in-possession to use cash collateral after notice and a hearing. Section 363(e) of the Bankruptcy Code requires Debtor to adequately protect the secured creditor's interest in property to be used by Debtor against any diminution in value of such interest resulting from the debtor's use of the property during the chapter 11 cases.

19. What constitutes sufficient adequate protection is decided on a case-by-case basis. See In re Martin, 761 F.2d 472 (8th Cir. 1985); In re Mosello, 195 B.R. 277, 289 (Bankr. S.D.N.Y. 1996); In re Sw.Assocs., 140 B.R. 360 (Bankr. S.D.N.Y.

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1992). By adequate protection, the Bankruptcy Code seeks to shield a secured creditor from diminution in the value of its interest in the particular collateral during the period of use. See In re 495 Cent. Park Ave. Corp., 136 B.R. 626, 631 (Bankr. S.D.N.Y. 1992); In re Beker Indus. Corp., 58 B.R. 725, 736 (Bankr. S.D.N.Y. 1986); In re Hubbard Power & Light, 202 B.R. 680 (Bankr. E.D.N.Y. 1996). Adequate protection can come in various forms, including payment of adequate protection fees, payment of interest, granting of replacement liens and administrative claims.

20. In this case, Radiance Capital is adequately protected. In addition to the cash collateral, Radiance Capital maintains a security interest in all the equipment and fixtures of Debtor.

21. Based on all of the forgoing, Debtor respectfully requests the court enter the order permitting Debtor's use of cash collateral.

Date:


John Nathenas, M.D.

Sworn and signed before me this

10th day of March 2015.


NOTARY PUBLIC

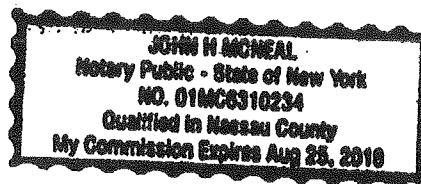


EXHIBIT A

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Credit Approval Letter

August 7, 2009

Magnetic Resonance Imaging Associates of Queens, P.C.
92-37 Metropolitan Avenue
Forest Hills, NY 11375

Re: \$500,000.00 Relationship Ready Line of Credit

Ladies and Gentlemen:

Citibank, N.A. ("Citibank" or "Bank") is pleased to offer a relationship ready line of credit ("RRC") on the terms and conditions outlined below and as set forth in the Credit Terms and Conditions Disclosure Booklet provided to you (the "Disclosure Booklet"). Terms not defined herein shall have the meanings given to them in the Disclosure Booklet.

General Terms of RRC:

Amount of Credit Available: \$500,000.00

Borrower: Magnetic Resonance Imaging Associates of Queens, P.C. ("Borrower")

Guarantors: John Nathenas, and Academic Management Organization, Inc. (each a "Guarantor" and collectively the "Guarantors")

Person(s) Providing Collateral: Magnetic Resonance Imaging Associates of Queens, P.C. and Academic Management Organization, Inc. (each a "Grantor" and collectively the "Grantors")

First Day Available:

The first day this RRC is available is the date each of the requirements set forth in this Credit Approval Letter are satisfied.

Last Day Available:

The RRC is offered until the cancellation of the RRC by either Citibank or the Borrower, at which time the then outstanding principal balance of the RRC and all accrued but unpaid interest shall be repaid in the manner set forth below.

RRC Fee:

There shall be due an annual fee equal to \$2,500.00 payable on or before the first day this RRC is available and upon each anniversary of the date of this Credit Approval Letter. The Borrower authorizes Citibank to debit any of their Citibank accounts for the payment of such RRC fee.

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Interest Rate; Payments of Interest:

The RRC will bear interest at a rate per annum equal to the greater of the (i) the Citibank Prime Rate, or (ii) the "Minimum Interest Rate" plus in each case a margin of 2.00%. Any change in the Citibank Prime Rate or the Minimum Interest Rate shall take effect on the date of the change in the Citibank Prime Rate or the Minimum Interest Rate, as applicable.

"Minimum Interest Rate" means two hundred (200) basis points in excess of the rate of interest determined by Bank in accordance with its customary procedures and utilizing such electronic or other quotation sources as it considers appropriate to be the prevailing rate per annum in effect each banking day at which deposits in United States dollars for a one month period, determined by Bank in its sole discretion, are offered to Bank by first class banks in the London Interbank Market shortly after 11:00 a.m. (London time) two banking days prior to the date such rate of interest shall be effective and applied to existing and future advances under the RRC.

Interest shall be payable monthly.

Interest shall be calculated on the basis of actual days elapsed in a 360 day year.

Use of Proceeds of Loans:

Proceeds of the Loans will be used to finance working capital requirements and to payoff and close existing line of credit with Unity Bank.

Requests for Loans:

Loans may be obtained by using checks furnished by Citibank, transfers made on Citibank's on-line banking system and any other method acceptable to Citibank from time to time. Citibank will have no obligation to honor a request for a Loan if: (i) the maximum amount of the RRC has or would be exceeded by making the Loan, (ii) the check is post-dated, (iii) the Borrower's checks have been reported lost or stolen, (iv) a check is not signed by an authorized signer, (v) an Event of Default shall exist, or (vi) Citibank has cancelled Borrower's right to obtain a Loan.

Repayment:

In addition to payments of interest as set forth above, upon the cancellation of the RRC, provided that no Event of Default has occurred and is continuing, the principal balance of the RRC as of the date of the cancellation thereof shall be repaid in forty eight (48) equal monthly installments of principal each in the amount of 1/48th of such principal balance, payable monthly beginning in the month immediately following such cancellation.

Repayment of Loans:

Subject to the terms and conditions hereof, the Disclosure Booklet, and the terms and conditions set forth in any other agreement between the Bank and the Borrower with respect to the RRC, the Borrower may borrow, repay in whole or in part, and re-borrow on a revolving basis, up to the maximum amount of the RRC. The Bank shall maintain its records to reflect the amount and date of each Loan, the interest rate applicable to such Loan and each payment of principal and interest thereon. All such records shall, absent manifest error, be conclusive as to the outstanding principal amount of the RRC; provided, however, that the failure to make any notation to the Bank's records shall not limit or otherwise affect the obligations of the Borrower to repay each Loan made by the Bank, in accordance with the terms hereof.

Obligations While RRC is in Effect:

I. Reporting Requirements:

To assist Citibank in conducting its ongoing credit review, the following will be provided to Citibank while the RRC is offered:

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Financial Statements and Tax Returns. Recent fiscal year tax returns or CPA reviewed Financial Statements in addition to updated Personal Financial Statements, upon request.

Insurance. With respect to Borrower or Guarantor, notice of any insurance claim made by such party in excess of \$50,000.

II. Financial Covenants.

None

III. Miscellaneous Provisions.

Entire Agreement

This Credit Approval Letter, the Disclosure Booklet and the other Loan Documents executed in connection with the RRC set forth the entire agreement among the parties hereto related to the RRC and the transactions contemplated hereby and supersede any prior oral or written statements or agreements with respect thereto.

Waivers

The Borrower and Guarantors each hereby waives presentment, demand for payment, protest, notice of dishonor, and any and all other notices or demands in connection with the delivery, acceptance, performance, default, or enforcement of this Credit Approval Letter, the Disclosure Booklet and all other Loan Documents.

Waiver of Jury Trial

To the fullest extent permitted by applicable law, the Borrower, each Guarantor and Citibank waive all rights to trial by jury on any cause of action directly or indirectly involving the terms, covenants or conditions hereof, of the Disclosure Booklet or any other Loan Document.

Authorization of Transactions

The Borrower is duly authorized to execute and deliver this Credit Approval Letter and the other Loan Documents and to borrow under, and to effect all other transactions contemplated by, this Credit Approval Letter and the other Loan Documents to which it is a party.

Each Guarantor that is an Entity is duly authorized to execute and deliver this Credit Approval Letter and the other Loan Documents to which it is a party and to effect all other transactions contemplated by, this Credit Approval Letter and the other Loan Documents to which it is a party.

IV. Disclosure Booklet. The Borrower and each Guarantor hereby acknowledge the receipt of the Disclosure Booklet, which shall be applicable to the RRC.

V. Uncommitted Line of Credit. All Loans under the RRC, are at Citibank's sole and absolute discretion and Citibank, at its option and without notice to the Borrower, may decline to make any Loan requested by the Borrower.

VI. Special Terms. Notwithstanding anything to the contrary set forth herein, in the Disclosure Booklet or in any other Loan Document, the following special terms shall apply to the RRC:

None

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Malpractice Insurance

Borrower shall maintain professional malpractice insurance in an amount, covering such risks and issued by an insurance company acceptable to Lender in its sole discretion, but in no event shall such amount or coverage limits be less than that required by applicable state law or regulation. Borrower shall deliver to Lender a certificate of insurance evidencing the existence of professional malpractice coverage as required by the Lender from time to time.

VII. Additional Terms.

None

VIII. Acceptance of RRC.


In order to accept this RRC, please sign the enclosed copy of this Credit Approval Letter in the space indicated below and return it to Citibank together with any required with the borrowing and any guarantying resolutions attached to this Credit Approval Letter completed and signed as required and Loan Documents within fourteen days of the date hereof.

Very truly yours,

CITIBANK, N.A.

By signing below, Borrower acknowledges receipt of this Credit Approval Letter, the Disclosure Booklet and all other Loan Documents, and agrees to the terms and provisions contained therein.

Magnetic Resonance Imaging Associates of Queens, P.C.

By:  as PoA for John Nathenas
Name: John Nathenas
Title: President

Address for Notices:
92-37 Metropolitan Avenue
Forest Hills, TN 11375

EXHIBIT B

775121

2009 Aug 18 AM11:53

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
CSC (800)855-5294

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

CSC
6500 Harbour Heights Pkwy, Suite 400
Muhlenberg, VA 98275, USA
NYFilings@Diligent.com
(Fax)(800)346-6059

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME Magnetic Resonance Imaging Associates of Queens, P.C.

OR 1b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

1c. MAILING ADDRESS 92-37 Metropolitan Avenue

CITY Forest Hills

STATE

POSTAL CODE

COUNTRY

NY

11375

USA

ADDL INFO RE
ORGANIZATION
DEBTOR1d. TYPE OF ORGANIZATION
Corporation1e. JURISDICTION OF ORGANIZATION
NY

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR 2b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

1c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

ADDL INFO RE
ORGANIZATION
DEBTOR

2d. TYPE OF ORGANIZATION

2e. JURISDICTION OF ORGANIZATION

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR OR) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME CIBank, N.A.

OR 3b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

1c. MAILING ADDRESS 3950 Regent Blvd. 92B-240

CITY Irving

STATE

POSTAL CODE

COUNTRY

TX

75063

USA

4. This FINANCING STATEMENT covers the following collateral:

All personal property of every kind and nature, including, without limitation, all accounts (including healthcare insurance receivables), goods (including inventory, equipment, fixtures and any accessions thereto and embedded software), chattel paper (whether electronic, tangible or intangible), documents, instruments (including promissory notes), general intangibles, letter of credit rights (whether or not the letter of credit is evidenced by a writing), supporting obligations, commercial tort claims, investment property (including securities), money, deposit accounts and other contract rights or rights to the payment of money; whether any of the foregoing is owned now or acquired later; all accessions, additions, replacements, and substitutions relating to any of the foregoing; all records of any kind relating to any of the foregoing; all proceeds relating to any of the foregoing (including insurance, general intangibles and accounts proceeds).

5. ALTERNATIVE DESIGNATION (if applicable)	LESSOR/LESSOR	CONSIGNEE/CONSIGNOR	RAIL-FRAIGHT	SELLER/BUYER	AG. LIEN	NON-UCC FILING
6. THIS FINANCING STATEMENT is to be filed (for record) (or recorded) in the UCC	7. Check to REQUEST SEARCH REPORT (if on Debit)	8. OPTIONAL FILER REFERENCE DATA 14814 (3447567)	9. Check to REQUEST SEARCH REPORT (if on Debit)	10. Check to REQUEST SEARCH REPORT (if on Debit)	11. Check to REQUEST SEARCH REPORT (if on Debit)	12. Check to REQUEST SEARCH REPORT (if on Debit)

FILING OFFICE COPY — NATIONAL UCC FINANCING STATEMENT (FORM UCC1) (REV. 06/22/02)

Filing Number-200908185748545

742925

2014 Apr 28 PM12:39

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)
Gisella Melendez 800-331-3282

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

CT Lien Solutions
P.O. Box 26071
Glendale, CA 91209-8871, USA
afiling@writorsduwor.com
(Fax) 818-662-4141

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE # 200908184740545 Filedate: 18-AUG-09

1b. This FINANCING STATEMENT AMENDMENT is
to be filed (for record) (or recorded) in the
☐ REAL ESTATE RECORDS.2. ☐ TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.3. ☒ CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.4. ☐ ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c and also give name of assignor in item 6.5. AMENDMENT (PARTY INFORMATION): This Amendment affects ☐ Debtor or ☐ Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

☐ CHANGE name and/or address: Give current record name in item 6a or 6b, also give new name (if name changed) in item 7a or 7b and/or new address (if address changed) in item 7c. ☐ DELETE name: Give deleted name to be deleted in item 6a or 6b. ☐ ADD name: Complete item 7a or 7b, and also item 7c, also complete item 7d to 7f if applicable.

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME

OR
6b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR
7b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

7d. SEE INSTRUCTIONS 7e. TYPE OF ORGANIZATION 7f. JURISDICTION OF ORGANIZATION 7g. ORGANIZATION'S TO, if any

ADD INFO RE
ORGANIZATION
DEBTOR☐ NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Describe collateral ☐ deleted or ☐ added, or give entire ☐ (restate collateral description, or describe collaterals) ☐ assigned.9. NAME OF SECURED PARTY OR RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here ☐ and enter name of DEBTOR authorizing this Amendment.

6a. ORGANIZATION'S NAME: CITIBANK, N.A.

OR
6b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

10. OPTIONAL FILER REFERENCE DATA NY-0-43050020-48495998

FILING OFFICE COPY — NATIONAL UCC FINANCING STATEMENT AMENDMENT (FORM UCC3) (REV. 05/22/02)

Filing Number-201404285427436

EXHIBIT C

AMENDMENT TO LOAN AGREEMENTS

Comes now Magnetic Resonance Imaging Associates of Queens, P.C. as maker (hereinafter "Maker") of the certain Loan Agreements (No's 9954731657, 4985640018) dated August 7, 2009 in the total original amount of \$500,000.00 made payable to Citibank, N.A. and Radiance Capital Receivables Thirteen LLC, a Washington limited liability company (hereinafter "Holder"), as successor in interest to the Loan Agreements (hereinafter the "Agreements") by virtue of a Bill of Sale dated December 18, 2014 and agree as follows:


1. Radiance Capital Receivables Thirteen LLC is the bona fide holder in due course of the Agreements and has physical possession of the originals and has full authority to compromise the Agreement and to amend the terms of the Agreements.
2. The balance owing on the Agreements, including all unpaid principal, interest, fees and charges are, as of this date, \$450,442.81.
3. Maker is obliged to pay on the Agreements and has full authority to amend, compromise, extend and otherwise modify the terms of the Agreements.
4. General releases. Maker hereby releases Citibank N.A. and First Financial Network, from any and all claims related to these Agreements.
5. In consideration of the mutual promises set forth herein and the forbearance by Holder, Holder and Maker hereby agree as follows:
 - A. Maker shall pay to Holder, Twelve (12) monthly payments of \$4,500.82 beginning June 1, 2015 thru May 1, 2016, followed by
 - B. One (1) payment of \$450,082.81 due by June 1, 2016, to be reviewed on or before May 15, 2016
6. In the event that Maker fails to adhere to the terms of the Amendment, the Loan Agreements will be enforceable in full

A FACSIMILE OF THIS AMENDMENT TO LOAN AGREEMENTS WITH SIGNATURE SHALL BE CONSIDERED TO BE AN ORIGINAL.

DONE THIS 13 day of January, 2015.

HOLDER

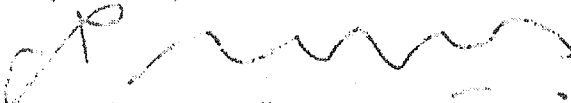
Radiance Capital Receivables Thirteen LLC



By: Matthew L. Sweeney, Member

MAKERS

Magnetic Resonance Imaging Associates
of Queens, P.C., Academic Management
Organization, Inc.



John Nathenas, President and Individual